

# **EXHIBIT B**

**Veco TurboDisc  
Tentative Findings  
10/31/2004**

**Risks**

Unsupportable balances in the WIP variance account  
Overstatement of Taiwan inventory returns  
Unsupportable balances in the manual inventory adjustment account  
Return to Vendor  
Glove Box used as training tool  
Miscellaneous Taiwan Inventory Returns  
Employee Stock Purchase Plan  
Underaccrual of Sanan Commission  
Underaccrual of stay bonuses  
Warranty Underaccrual  
Receipts Not Vouchered

**Recoveries**

Understatement of overhead application rate on WIP inventory  
Warranty part recoveries

**Net Amount of Risk**

	Income Statement Effect 9/30/04	Income Statement Effect 10/31/04	Total
	(1,086,777)	(461,488)	(1,548,265)
	(252,468)	0	(252,468)
	(350,311)	-	(350,311)
	(223,845)	-	(223,845)
	(136,584)	-	(136,584)
	(180,000)	-	(180,000)
	(150,000)	-	(150,000)
	(250,000)	-	(250,000)
	(2,629,985)	(461,488)	(3,091,473)
	0	0	0
	(2,629,985)	(461,488)	(3,091,473)

(1,000)